DOCUMENT RESUME

ED 293 326 FL 017 302

AUTHOR Abdrabboh, Bob
TITLE Marketing Across Cultures: Issues, Problems and Opportunities.
PUB DATE May 87
NOTE 10p.; In: Languages and Communication for World Business and the Professions. Conference Proceedings; see FL 017 281.
PUB TYPE Viewpoints (120) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Business Administration Education; *Business Communication; Communication Problems; Comparative Analysis; Competition; *Culture Conflict; Economic Climate; Foreign Countries; *Intercultural Communication; *International Trade; *Marketing
IDENTIFIERS *Indonesia; United States

ABSTRACT

Now more than ever, a clear knowledge and understanding of languages, cultures, and customs is essential to successfully marketing products and services around the world. Barriers to competition may occur in differences in language, technology levels, conceptions of authority, environmental perceptions, contexting, and social organization. In business interactions, Indonesians frequently perceive that the American businessperson is impatient, places too much stress on legalism, and is inflexible. Indonesian and American cultures differ significantly in their views of justice, law, life and death, the family, the values of time, morality, and the management of the enterprise, but the differences need not be a barrier to effective business relations. However, only firms with a thorough understanding of foreign languages, customs, and culture will be competitive in the global economy. There are tremendous trade opportunities in Indonesia. Its advantages in attracting direct foreign investment include political stability, rich natural resources, low labor costs, large local and export markets, dynamic and sustained economic development, appropriate fiscal and monetary trade policies, good international credit, and low corporate taxes. If complemented by appropriate management practices, these factors can produce rewards. (MSE)

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MARKETING ACROSS CULTURES: ISSUES, PROBLEMS AND OPPORTUNITIES

By

Dr. Bob Abdrabboh
Professor of Economics
Detroit College of Business
Main Campus
Dearborn, Michigan 48126-3799

Paper presented to the sixth annual conference on languages and communication for world business and the professions.

Ann Arbor, Michigan
May 8, 1987

FL017302

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Introduction

To my mind, talking about marketing across cultures is really talking about international trade. There is no satisfactory standard of living without foreign trade. No single nation anywhere, anytime, has attained a leadership role in world affairs without foreign trade.

When discussing the pros and cons of trade, we should never forget that approximately one out of every eight American jobs depends somehow on healthy trade arrangements with the rest of the world. International trade also creates a sense of interdependence among world nations and can have the side effect of enhancing world peace. "We need you and you need us" is the unspoken theme as a continuous flow of imports and exports ties countries together with invisible threads of mutual benefits and frequently enhanced mutual trust. Trade is still a positive force in the long-run, even though there may be short-run difficulties. There is a continuing unwillingness to accept the fact that business now is predominantly a matter of international competition and economics - that traditional domestic conventions are not necessary valid today. In spite of that feeling, Americans have been pragmatic.

The perception of diminshed U.S. competitiveness stems not only from the trade deficit but from the impression that U.S. trade performance compares poorly with that of other countries, especially tnat of Japan. Declining U.S. competitiveness is evident in a shift from decades of trade surpluses to substantial deficits, eroding market share in almost all sectors and declining profitability since the late 1960's.

Americans have long thought that they could automatically sell products designed for American consumers to foreign consumers without considering the differences in language culture life style and business pratices.

Now more than ever, a clear knowledge and understanding of languages, cultures and customs is essential to successfully marketing products and services around the world. The development of multilingualism and international sensitivity and understanding in the United States is essential to our future prosperity and directly related to world peace.

Issues and Problems

In cross cultural marketing, much more than language is needed. A prospective overseas representative must be sensitive to the fact that people communicate with certain movements of their bodies as well as with words. Cultural understanding enables one to conduct business and relate to people without constantly analyzing situations and without making too many mistakes.

One of the main areas investigated in international business barriers are language, technology levels, conception of authority, enviornmental perception, contexting and social organization! We need to understand these more fully to meet the foreign competition. Ignoring any of these concepts perhaps is the quickest road to failure.

Recent studies now indicate that language skills that are taught at academic institutions are often "too low and too scholastic; level of instructions are totally unarticulated, and not enough instruction in languages appropriate for the 21st century". Studies also show inadequate information about the extent

to which adults can apply language training they obtained early in their lives.

In my interactions with Indonesians about how Americans do business, three themes emerge constantly: the U.S. Business person is to impatient, places too much stress on "legalism" and is often inflexible.

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1 The Concepts concerning risk and uncertainity remain unchanged when entering the international area.

It is important to pay attention to how others see the U.S. business person. Conducting business in Jakarta is not like marketing within Michigan, things do not happen overnight.

My study has helped me identify the differences between the U.S. and Indonesia. The two countries differ in their views of justice, law, life and death, the family, the value of time, morality, and the management of the enterprise. The differences should not be interpreted as a barrier to effective bussiness relations.

What, then are the salient points of beginning solutions to the problems of cross cultural marketing?

- We must recognize ourselves and other men/women as cultural creatures subject to the situational and institutional pressures which affect our behavior.
- We must be willing to accept foreign cultures as valid expressions of human nature that, in essence, are no different than our own.
- We must be sensitive to the smallest nuances of other people's behavior so that we can use it as a guide for our own in establishing meaningful communication.
- Personal contact and the style of contact may be more important than the content of the business deal.
- A joint venture partner and reliable agent are crucial to the success of the bussiness. No company should assume that they can pass off on Indonesia second rate work or products. Be sure you really do have a product that offers something new or different.

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2 See Appendix 1

3 Cultural relativism is a theory to which most cultural anthropologists and many other intellectuals subscribe that asserts that all cultures are of equal value and fulfill roughly the same funcion everywhere.

- Select the right U.S. based person to oversee your efforts. Not just anyone will do. America has an appalling shortage of executives who are actually and linguistically capable of effectiveness overseas - especially in Indonesia. The individual who links the Indonesian organization with the U.S. organization must be comfortable and credible in both cultures.
- We must attract gifted and committed men and women into cross cultural marketing.
- American business person has to work at cultivating the Indonesian trust. Patience, flexibility, long-term commitment and professionalism.

It is reasonable, therefore, to conclude that only firms with a thorough understanding of foreign languages, customs and culture, will be competitive in a global economy.

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4 Interestingly enough, there are approximately 10,000 English speaking Japanese executives who work in the United States handling billions of dollors in trade, but very few of the 1,000 U.S. citizens in Japan can speak Japanese.

Business opportunities in Indonesia

Americans know very little about Indonesia, and regional capital cities such as Manila, Singapore or Bangok are better known to Americans than Jakarta, despite the fact that the population in Indonesia in 1986 was estimated as 170 million people. Indonesia is the fifth most populus nation in the world. Its religious pluralism, which feature all major religions of the world, and 366 different ethnic groups make Indonesia the country with the largest mixture of races and peoples.

> "Indonesia is a rich, beautifulo and complex land, and merits tne U.S. business person's attention. Because of its location, its recent record of close ties with the U.S. and its free enterprise philosophy, its sucess as a nation is important to us. A large part of the U.S. role in that success lies with the American private sector."

5

The author is indebted to both Ambassadors John H. Holdridge and Edward E. Masters for helpful comments on a previous draft. The contents of this paper are, however, the author's responsibility.

There are tremendous opportunities in Indonesia for the U.S. investors in many areas and can be very profitable, especially agribusiness, labor intensive manufacturing, mineral exploitation, shipping & repair, tourism and service industry.

Most foreign investment studies have shown that investment decisions are primarily influenced by investment decisions are primarily influenced by investment climate, political stability, and profit opportunities. On the other, these decisions are only managerially influenced by measures taken by home or host countries to encourage investment flow or to direct it to a specific sector or location.

The comparative advantage of Indonesia in attracting foreign direct investment lies in political stability, riches in natural resources, low labor cost, large local and export markets, dynamic and sustained economic development, appropriate fiscal monetary and trade policies, good international credit standing, and lower corporate taxes. However, in undertaking any business venture, three factors are present: risk, opportunities and rewards. Indonesia offers all of them.

Appendix 1

Summary of Indonesia's view (selected factors)

Selected Factors		Elements	Description
RELIGIOUS SYSTEM		1. God (Allah)	Supreme God, creator, oneness.
		2. Religions	Islam, Christianity, Hinduism and Buddhism.
		3. Unity of spirit and matter	Spirit is united with body
		4. Hereafter	Continuaation of life after death; hereafter is the day of Judgement.
SOCIAL SYSTEM	Social Structure	1. Extended family	Great on individual
		2. Clan Solidarity	Tribe and Clan
		3. Marriage	Marriage between relatives can be found.
	SOCIALIZATION	1. Family Role	Great on individual
		2. Father Role	Control of childen
		3. Mother Role	Show more affection for child than father
		4. Sexual Role	Stress on sexual differences
		5. Age Role	The young obey and respect the eldest.
		6. Authority	Aged male people